3rd Quarter 2023

International MPS USD Risk Profile 4 Portfolio

ARC data is confirmed until June 2023. For July, August and September 2023 the data is based on estimates from ARC and is subject to change.

Performance, costs and charges:

The performance illustration represents the performance of the Risk Profile using the Multi Manager historic data.

All performance figures are shown gross of underlying fund charges.

Fees charged by any Financial Adviser are not taken into account.

Benchmark

ARC US Dollar Balanced Asset PCI

Source: ARC Research Limited PCI

www.suggestus.com

Glossary

Annualised volatility: risk is measured by the variability of performance. The higher the standard deviation, the greater the variability (and therefore the risk) of the Fund or the index.

Maximum historic loss: is the maximum loss from peak to trough in an investment's history. The figures are indicative and will depend on circumstance.

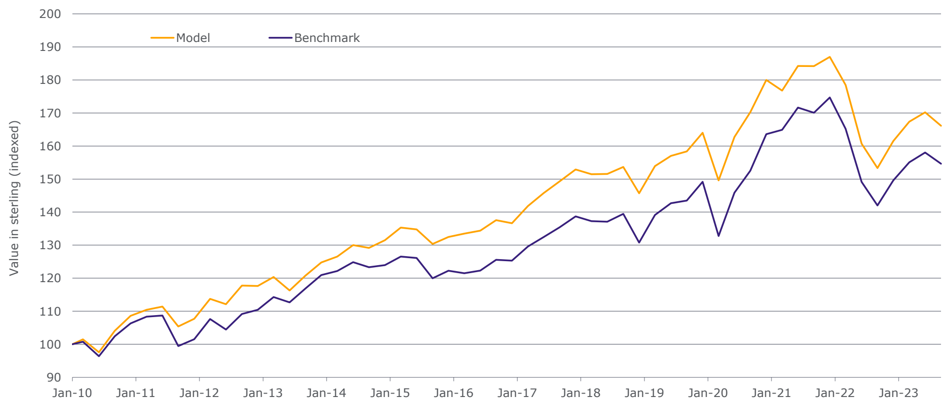
Sharpe ratio: measures the risk/return trade-off. It is the annualised return less the average risk-free rate, divided by the annualised volatility of the model.

This document is intended to aid a wider discussion between clients and their investment and/or financial adviser about this investment portfolio. It is for information purposes only and is not to be construed as a solicitation or an offer to purchase or sell investments, address the financial situations or needs of any specific investor nor is it deemed to be a form of advice to invest in this portfolio. Investors should make their own investment decisions based upon their own financial objectives and financial resources and, if in any doubt, should seek advice from an investment and/or financial adviser.

Investment objective

Our objective for this strategy is to achieve a return of inflation +3% over a minimum rolling period of seven years. A proportion of the overall return will come from the income generated. The strategy is designed to generate risk adjusted returns over the suggested time horizon. The portfolio will be a balanced mix of fixed income assets, global equity investments and other diversifying financial instruments. To assist in the reduction of volatility and deliver uncorrelated returns during periods of unfavourable market conditions, alternative asset classes such as commodities, currencies, infrastructure and hedge funds may be used. Investors in the Risk Profile 4 strategy are prepared to accept occasional moderate capital losses in order to achieve slightly higher total returns.

Performance since inception (01/01/2010)



Discrete performance (%)

Total return to end of last calendar quarter 30/09/2023.

	2023 YTD*	2022	2021	2020	2019	2018	2017	2016
Model	**+2.9**	**-13.6**	**+3.9**	**+9.7**	**+12.6**	**-4.7**	**+11.9**	**+3.1**
Benchmark	**+3.4**	**-14.4**	**+6.8**	**+9.6**	**+14.1**	**-5.7**	**+10.7**	**+2.5**

* 2023 YTD is data for year to date from 01 January 2023 to 30 September 2023

Cumulative performance (%)

Total return from inception to 30/09/2023.

	3 Months	1 Year	3 Years	5 Years	Inception (01/01/2010)
Model	**-2.4**	**+8.3**	**-2.4**	**+8.1**	**+66.1**
Benchmark	**-2.1**	**+8.9**	**+1.4**	**+10.9**	**+54.6**

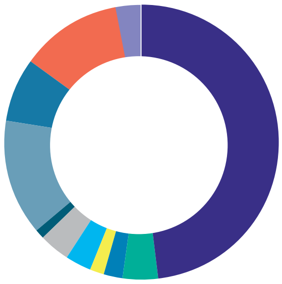
Risk & return since inception (%)

	Model	Benchmark
Annualised volatility	**+3.8**	**+3.2**
Maximum historic loss	**-18.3**	**-18.7**
Sharpe ratio	**+0.4**	**+0.3**

Source: Canaccord Genuity Wealth Management (CGWM) Interactive Data as at 30/09/2023.

*Inception to date. Inception is 01/01/2010.

IMPS Risk Profile 4 Portfolio suggested asset allocation (%)



	Model
Fixed Interest	48.2
Asia Equity	4.1
Emerging Equity	2.3
Europe Equity	1.7
International Equity	2.9
Japan Equity	3.8
UK Equity	1.1
US Equity	13.4
Sector Specific Equity	7.5
Alternatives	12.0
Cash	3.0

Top 10 holdings (%)

Vanguard S&P 500 UCITS ETF USD	8.1
iShares PLC - iShares USD Corp Bond UCITS ETF	7.1
Trojan Fund (Ireland) X USD Inc	6.0
Jupiter Dynamic Bond D Acc HSC Cap USD	5.9
Vontobel SICAV TwentyFour Strategic Income Fund AQHNG Hedged Dist USD	5.8
iShares USD Treasury Bond 3-7yr UCITS ETF Acc USD	5.4
iShares USD Treasury Bond 7-10yr UCITS ETF USD	5.3
iShares USD TIPS 0-5 UCITS ETF Hedged USD Inc	5.0
iShares Gold Producers UCITS ETF USD Acc	4.8
PIMCO Global Investment Grade Credit Fund Acc Inst USD	4.6

Top ten holdings excluding cash

Source: CGWM

Portfolio Manager commentary

Stocks continued to decline in September, extending their summer malaise as the US Federal Reserve (Fed) indicated a higher-for-longer environment for US interest rates at its latest meeting. While the Fed left rates unchanged in September, a bias for one more 0.25% hike before the end of 2023 was retained by the Committee and its projections showed fewer rate cuts during 2024 than had previously been the case. The interest rate decision was then followed by numerous hawkish comments from US Fed officials about the likely future course of monetary policy.

Chicago Fed President, Austan Goolsbee, said that high inflation posed a greater risk to the economy than high interest rates. Minneapolis Fed President Neel Kashkari said he expects another rate increase before year-end, Boston Fed President Susan Collins said that “further tightening is certainly not off the table,” and Fed Governor Michelle Bowman mentioned that more than one rate hike might still be needed.

Further comments from Neel Kashkari related to the US government shutdown and the autoworkers’ strike, highlighting that a slower US economy as a result of these events would necessitate less effort from the Fed to bring inflation down. Richmond Fed President Thomas Barkin felt confident that the US would avoid a severe recession.

Many market participants have been investing on the assumption that rates would decline shortly after reaching their peak. However, with economic activity remaining relatively robust and the US labour market tight, there is a growing sense that rates may plateau at or close to current levels for much of next year before inflation declines sufficiently to allow the Fed to move to a more dovish stance. As a result, bond yields continued their march higher, placing additional pressure on stock prices. US 10-year government bond yields surpassed 4.60% in September a level last seen in 2007 before the onset of the Global Financial Crisis.

The UK was one of the few markets that saw yields remain close to their end of August levels, as a downside surprise in inflation data saw the Bank of England maintain base rates at 5.25%. However, while a slowing economy and base effects should enable further progress on inflation in the next couple of months, it should be noted that core consumer price inflation in the UK remains above 6%, while wages are growing at more than 8% and remain on an accelerating trend. A renewed move up in inflation at the end of the year and into early 2024 cannot, therefore, be ruled out.

Elsewhere, China’s economic growth continues to disappoint despite multiple (small) attempts by the authorities to help the beleaguered property sector, support lending institutions and generally encourage the consumer to turn more optimistic. The latest measures include a relaxation on cross border data rules, which is particularly meaningful for Chinese technology companies. Still, sentiment towards China is exceptionally negative at present, although whenever opinions are so washed-out, this has often proven to be a good buying opportunity. Time will tell whether future Chinese stock market performance follows this trend.

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